Liwayway Marketing Corp v Oishi Group Public Co Ltd

FEDERAL COURT (PUTRAJAYA) — CIVIL APPEAL NO 02(i)-57–09 OF 2015
ARIFIN ZAKARIA CHIEF JUSTICE, AHMAD MAAROP, RAMLY ALI, BALIA YUSOF AND JEFFREY TAN FCJJ
27 MARCH 2017

Trade Marks — Application to expunge from register — Registered mark — Respondent applied to expunge appellant's registered trademark from register on account of its non-use — Respondent tendered evidence of market survey to prove non-use — Whether survey defective and failed to comply with s 46(1)(b) of the Trade Marks Act 1976 as well as Whitford guidelines — Whether respondent's failure to prove appellant's non-use of trademark fatal to its application — Whether High Court erred in not considering reason given by appellant for temporary non-use of its registered trademark

The appellant ('Liwayway') was the registered owner and user of the trademark 'Oishi' for goods and services under Classes 30 and 43 on the Register of Trade Marks ('the register') since 2003. The respondent ('Oishi Group'), a Thai company and manufacturer of a variety of bottled drinks, had been using the mark 'OISHI' for its goods in Malaysia since 2013. In 2011, Oishi Group had applied to the registrar of trademarks to register its 'OISHI' mark in Class 32 but the application was rejected because Liwayway's trademark was already on the register and it was felt that the public could be deceived or confused by the similarity between the two marks. On 19 February 2013, Oishi Group successfully applied to the High Court under ss 45(1)(a) and 46(1) read with s 10 of the Trade Marks Act 1976 ('the TMA'), to expunge Liwayway's 'Oishi' trademark from the register on the ground of its non-use. The Court of Appeal ('the COA') affirmed the High Court's decision on appeal. Inter alia, both the High Court and the COA accepted Oishi Group's evidence of a market survey which allegedly proved Liwayway's non-use of its trademark. The survey, which covered only Class 30 food and drink products, was conducted for ten days from 11 August 2011 at 260 random retail outlets in Klang Valley, Johor and Penang. The survey concluded that none of those outlets sold 'Oishi' products and their owners/employees, who were interviewed, were unaware of the existence of 'Oishi' products in the market. In the instant appeal against the COA's decision, the appellant argued that the respondent's expungement application must fail as it had failed to discharge the onus of proving the appellant's non-use of its trademark as required under s 46(1)(b) of the TMA which stated that the party applying for the removal of a trademark from the register had to show that 'up to one month before the date of the application a continuous period of not less than three years had elapsed during which the

trademark was a registered trademark and during which there was no use in good faith of the trademark in relation to those goods or services by the registered proprietor or registered user of the trademark for the time being'. A

Held, allowing the appeal and setting aside the decisions of courts below: B

(1) Both the High Court and the Court of Appeal had erroneously interpreted s 46(1)(b) of the TMA. Both courts erred in finding that there was a prima facie case of non-use of Liwayway's registered trademark. On the evidence and the factual matrix of the case, the prerequisites of s 46(1)(b) had not been satisfied (see paras 40–41). C

(2) The market survey relied on by Oishi Group in support of its case that Liwayway had not used its registered trademark in respect of goods in Classes 29, 30 and 43 was defective for two reasons. First, the survey was in respect of Class 30 goods only. Secondly, the survey did not cover the requisite continuous period of three years up to one month before the date of the application. As Oishi Group filed its action in the High Court on 19 February 2013, the requisite or relevant period for the survey according to s 46(1)(b) of the TMA was between 19 January 2010 and 19 January 2013. The survey did not cover that entire period but only a period of ten days from 11 August 2011. It did not reflect or answer the pertinent question of whether there was non-use after 22 August 2011 and of the end of the three-year period, 19 January 2013. On that premise, the survey was inconclusive and did not meet the threshold requirements as laid down in the Whitford guidelines (see paras 31–32 & 34). D E F

(3) The defective market survey meant Oishi Group had not discharged the burden of proving a prima facie case of non-use of Liwayway's registered trademark in respect of the class of goods. That being so, there was no requirement for Liwayway as the registered proprietor of the trademark to show it had used the trademark upon any of the goods mentioned. The High Court erred in finding that there was a prima facie case of non-use and that the burden had shifted to Liwayway to prove use of the trademark (see paras 35–36). G H

(4) The High Court erred in not taking into consideration Liwayway's assertion of 'use' of the trademark and weighing the same including Liwayway's admission that it had temporarily ceased the use of its trademark sometime in 2009 (which was outside the requisite three-year period) 'to make readjustment in the formulation of its products to suit Malaysians as most of the target customers in Malaysia were Malay Muslims' and that the temporary cessation was due to the application for Halal certification (see para 39). I

[Bahasa Malaysia summary

Perayu ('Liwayway') merupakan pemilik berdaftar dan pengguna cap dagangan 'Oishi' bagi barangan dan perkhidmatan di bawah Kelas 30 dan 43 dalam Daftar Cap Dagangan ('daftar') sejak tahun 2003. Pihak responden ('Kumpulan Oishi'), sebuah syarikat Thailand dan pengeluar pelbagai minuman botol, telah menggunakan tanda 'OISHI' bagi barangannya di Malaysia sejak tahun 2013. Pada tahun 2011, Kumpulan Oishi telah memohon kepada pendaftar cap dagangan untuk mendaftar cap 'OISHI' dalam Kelas 32 tetapi permohonan itu telah ditolak kerana cap dagangan Liwayway telahpun ada dalam daftar dan berkemungkinan orang awam boleh tertipu atau keliru oleh persamaan antara kedua-dua cap itu. Pada 19 Februari 2013, Kumpulan Oishi telah berjaya memohon kepada Mahkamah Tinggi di bawah ss 45(1)(a) dan 46(1) dibaca bersama s 10 Akta Cap Dagangan 1976 ('ACP'), untuk membatal cap dagangan 'Oishi' milik Liwayway daripada daftar atas alasan tiadanya penggunaan cap dagangan. Mahkamah Rayuan ('MR') mengesahkan keputusan Mahkamah Tinggi semasa rayuan. Antara lain, kedua-dua Mahkamah Tinggi dan MR menerima keterangan Kumpulan Oishi tentang suatu kaji selidik pasaran yang mengesahkan tiadanya penggunaan cap dagangan oleh Liwayway. Kaji selidik itu, yang hanya meliputi Kelas 30 produk makanan dan minuman, telah dijalankan selama sepuluh hari mulai 11 Ogos 2011 di 260 peruncit yang dipilih secara rawak di Lembah Klang, Johor dan Pulau Pinang. Kaji selidik itu memutuskan bahawa tidak ada satu pun peruncit itu menjual produk 'Oishi' dan pemilik/pekerja mereka, yang telah ditemu bual, tidak tahu tentang kewujudan produk 'Oishi' di pasaran. Dalam rayuan ini terhadap keputusan MR, perayu menghujahkan bahawa permohonan pembatalan oleh responden harus gagal kerana ia telah gagal melepaskan beban untuk membuktikan bahawa tiadanya penggunaan cap dagangannya oleh perayu sebagaimana yang dikehendaki di bawah s 46(1)(b) ACP yang menyatakan bahawa pihak yang memohon untuk membatalkan suatu cap dagangan daripada daftar hendaklah menunjukkan bahawa 'up to one month before the date of the application a continuous period of not less than three years had elapsed during which the trademark was a registered trademark and during which there was no use in good faith of the trademark in relation to those goods or services by the registered proprietor or registered user of the trademark for the time being'.

Diputuskan, membenarkan rayuan dan mengetepi keputusan mahkamah-mahkamah di bawah:

(1) Kedua-dua Mahkamah Tinggi dan Mahkamah Rayuan telah terkhilaf dalam mentafsir s 46(1)(b) ACP. Kedua-dua mahkamah telah terkhilaf apabila membuat dapatan bahawa terdapat suatu kes prima facie tiadanya penggunaan cap dagangan berdaftar Liwayway. Berdasarkan keterangan dan fakta matriks kes ini, kehendak di bawah s 46(1)(b) telah tidak dipenuhi (lihat perenggan 40–41).

(2) Kaji selidik pasaran yang Kumpulan Oishi bergantung kepadanya bagi menyokong kes mereka bahawa Liwayway telah tidak menggunakan cap dagangannya berkenaan dengan barangan dalam Kelas 29, 30 dan 43 adalah cacat untuk dua sebab. Pertama, kaji selidik itu adalah berkenaan dengan barangan Kelas 30 sahaja. Kedua, kaji selidik itu tidak meliputi kehendak tempoh tiga tahun terus menerus hingga satu bulan sebelum tarikh permohonan. Semasa Kumpulan Oishi memfailkan tindakannya di Mahkamah Tinggi pada 19 Februari 2013, tempoh yang dikehendaki atau relevan bagi kaji selidik itu menurut s 46(1)(b) ACP adalah antara 19 Januari 2010 dan 19 Januari 2013. Kaji selidik itu tidak meliputi keseluruhan tempoh itu tetapi hanya suatu tempoh selama sepuluh hari daripada 11 Ogos 2011. Kaji selidik itu tidak menggambarkan atau menjawab soalan yang penting sama ada terdapat ketidakpenggunaan selepas 22 Ogos 2011 dan di akhir tempoh tiga tahun, 19 Januari 2013. Atas premis itu, kaji selidik yang dijalankan adalah tidak konklusif dan tidak memenuhi kehendak penting sebagaimana yang dinyatakan dalam garis panduan Whitford (lihat perenggan 31–32 & 34).

(3) Kaji selidik pasaran yang cacat itu bererti bahawa Kumpulan Oishi telah tidak melepaskan beban membuktikan suatu kes prima facie bahawa tiadanya penggunaan cap dagangan berdaftar oleh Liwayway berkenaan dengan kumpulan barangan itu. Selain itu, tidak terdapat kehendak untuk Liwayway sebagai pemilik berdaftar cap dagangan itu untuk menunjukkan bahawa ia telah menggunakan cap dagangan itu ke atas mana-mana barangan yang disebut. Mahkamah Tinggi telah terkhilaf apabila mendapati bahawa terdapat suatu kes prima facie tiadanya penggunaan dan bahawa beban itu telah berpindah kepada Liwayway untuk membuktikan penggunaan cap dagangan (lihat perenggan 35–36).

(4) Mahkamah Tinggi telah terkhilaf apabila tidak mengambil kira penyataan 'penggunaan' cap dagangan oleh Liwayway dan menimbangkan perkara yang sama termasuklah pengakuan Liwayway bahawa ia telah tidak menggunakan cap dagangannya secara sementara dalam tahun 2009 (yang berada di luar tempoh tiga tahun yang dikehendaki) 'untuk membuat pelarasan dalam formula produknya untuk mensesuaikan dengan orang Malaysia memandangkan kebanyakan pelanggan yang ditujukan di Malaysia merupakan muslim Melayu' dan pemberhentian sementara itu adalah kerana permohonan untuk mendapatkan pensijilan Halal (lihat perenggan 39).]

Notes

For cases on registered mark, see 12(2) *Mallal's Digest* (5th Ed, 2015) paras 2603–2604.

Cases referred to

Arnold D Palmer In The Matter Of Trade Mark Registration No 63249, Re [1987] 2 MLJ 681 (refd)

Carnival Cruise Lines Inc v Sitmar Cruises Limited (1994) 120 ALR 495, FC (refd)

E-Toyo Global Stationery Sdn Bhd v Toyo Ink Sdn Bhd & Ors; The Registrar of Trade Marks (interested party) [2005] 1 MLJ 445; [2004] 7 CLJ 368, HC (refd)

Godrej Sara Lee Ltd v Siah Teong Teck & Anor (Part 2) [2007] 7 MLJ 164; [2008] 7 CLJ 24, HC (refd)

Hudson's Trade-Marks, In re (1886) 32 Ch D 311, CA (refd)

Imperial Group PLC v Philip Morris Ltd [1984] RPC 293, Ch D (refd)

Interflora Inc and another v Marks and Spencer plc [2013] 2 All ER 663; [2012] EWCA Civ 1501, CA (refd)

Interflora Inc and another company v Marks and Spencer plc [2013] All ER (D) 14 (Apr); [2013] EWCA Civ 319, CA (refd)

LB (Lian Bee) Confectionery Sdn Bhd v QAF Ltd [2012] 4 MLJ 20; [2012] 3 CLJ 661, FC (refd)

Lam Soon Edible Sdn Bhd v Hup Seng Perusahaan Makanan (M) Sdn Bhd [2011] 7 MLJ 366; [2010] 5 CLJ 975, HC (refd)

McLaren International Ltd v Lim Yat Meen [2009] 5 MLJ 741; [2009] 4 CLJ 749, FC (refd)

Mesuma Sports Sdn Bhd v Majlis Sukan Negara Malaysia (Pendaftar Cap Dagangan Malaysia, interested party) [2015] 6 MLJ 465, FC (refd)

Legislation referred to

Trade Marks Act 1976 ss 10, 45(1)(a), 46(1), (1)(b)

Appeal from: Civil Appeal No W-02(IPCV)(A)-674–04 of 2014 (Court of Appeal, Putrajaya)

Indran Shanmuganathan (Michelle CY Loi and Yap Khai Jian with him) (Shearn Delamore & Co) for the appellant.

Bahari Yeow Tien Hong (Lim Zhi Jian with him) (Lee Hishamuddin Allen & Gledhill) for the respondent.

Balia Yusof FCJ:

[1] The appellant Liwayway Marketing Corp ('Liwayway') is a company incorporated in the Philippines and is the registered owner of the trademark 'Oishi' in Class 30 and Class 43 on the Register of Trade Marks. The details of Liwayway's registered marks are as follows:

(a) registered trademark No 00010944 in Class 30 (for snack food products such as prawn crackers, potato flakes, potato fries etc) registered since 10 August 2000;

(b) registered trademark No 04009312 (for potato chips, meat, fish poultry etc) registered since 8 July 2004;

(c) registered trademark No 05004420 in Class 43 (for services for providing food and drink) registered since 25 March 2005; and

(d) registered trademark No 05021787 in Class 30 (for coffee, tea, cocoa, sugar, rice etc) registered since 23 December 2005.

[2] The respondent Oishi Group Public Ltd Co ('Oishi Group') is a public company incorporated in Thailand and is in the business of manufacturing and producing non-alcoholic beverage, aerated water, fruit juices, ready to drink green tea and carbonated drinks under its trademark 'OISHI'.

[3] On 24 October 2011, Oishi Group applied to the Registrar of Trade Marks for the registration of its trademark 'OISHI' in Class 32 but was rejected because Liwayway's trademark had already been registered in the Register of Trade Marks. The Registrar's refusal to the application was premised on the ground that Oishi Group's trademark was similar to Liwayway's trademark and this would lead to public deception and cause confusion.

[4] Oishi Group then filed an originating summons dated 19 February 2013 to expunge Liwayway's registered trademarks on the ground of non-use of the said trademark and that the entries were made without sufficient cause and therefore wrongfully remaining in the Register of Trade Marks. The application was made pursuant to ss 45(1)(a) and 46(1) read with s 10 of the Trade Marks Act 1976 ('Act 175').

[5] The issues arising in the application as determined by the learned JC were as follows:

(a) whether the plaintiff is an aggrieved party within the meaning of ss 45 and 46(1) of Act 175;

(b) whether the defendant's trademarks should be expunged for non-use; and

(c) whether the defendant's trademarks are entries made in the register without sufficient cause and are therefore wrongfully remaining in the register.

[6] At the conclusion of the hearing, the learned JC ruled in favour of Oishi Group and gave an affirmative answer to the three abovesaid issues. Oishi Group's application was allowed.

[7] On appeal to the Court of Appeal, Liwayway's appeal was dismissed with costs and the decision of the learned JC was affirmed.

[8] Leave was granted to Liwayway to refer the following two questions of law to this court:

(a) whether there is aggrieveness to sustain a rectification action under s 46(1)(b) of the Trade Marks Act 1976 against a registered trademark in a given Class when non-use is purportedly shown in respect of goods of another registered mark in a different class of the same registered owner; and

(b) whether the period of 'continuous period of not less than three years' of s 46(1)(b) may be truncated and computed segmentally such that non-use of the registered mark is proved by showing non-use for only a part of the duration of the three years up to one month before the filing of the rectification action.

OUR DECISION

[9] This appeal is centered solely on the provisions of s 46(1)(b) of Act 175 which read:

> 46(1) Subject to this section and to section 57, the Court may, on application by a person aggrieved, order a trade mark to be removed from the Register in respect of any of the goods or services in respect of which it is registered on the ground —
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> (a) ... or
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> (b) that up to one month before the date of the application a continuous period of not less than three years had elapsed during which the trade mark was a registered trade mark and during which there was no use in good faith of the trade mark in relation to those goods or services by the registered proprietor or registered user of the trade mark for the time being.

[10] In dealing with the issue of aggrieveness, learned counsel for Liwayway submitted that in order to satisfy the test as to whether the applicant falls within the definition of 'a person aggrieved' in the said provision, Oishi Group must first show that it has either used before a mark that is identical with or similar to the registered mark sought to be expunged or at the very least had a genuine intention to use the mark in the near future.

[11] Our courts are replete with decisions on this issue. We will start with the case of *McLaren International Ltd v Lim Yat Meen* [2009] 5 MLJ 741; [2009] 4 CLJ 749 wherein this court upon considering the judgment of Chan Sek Keong JC in *Re Arnold D Palmer In The Matter Of Trade Mark Registration No 63249* [1987] 2 MLJ 681 and the authorities cited therein, agreed that:

A person aggrieved is a person who has used his mark as a trademark — or who has genuine and present intention to use his mark as a trademark — in the course of a trade which is the same or similar to trade of owner of the registered trademark that the person wants to have removed from the register.

[12] *McLaren International* was referred to and reaffirmed in the case of *LB (Lian Bee) Confectionery Sdn Bhd v QAF Ltd* [2012] 4 MLJ 20; [2012] 3 CLJ 661. At p 28 (MLJ); p 671 (CLJ) of the report, this court had explained the following:

A 'person aggrieved' under s 46(1) of the TMA need not be a person with any specific right. A 'person aggrieved' in this context may include someone with simply a bona fide intention to use a trademark that is registered but which has not been used by the registered proprietor or any registered user for a continuous period of not less than three years up to one month before the date of an application under s 46(1)(b) of the TMA to expunge. On this point in the case of *McLaren International Ltd v Lim Yat Meen* [2009] 5 MLJ 741; [2009] 4 CLJ 749, Abdul Aziz Mohamad FCJ in delivering the judgment of this court had this to say:

> [21] *Re Arnold D Palmer* is an authority (out of several) that is heavily relied on by the respondent to deny that the appellants are a person aggrieved. In that case, the applicant sought the removal from the register of a trademark on the ground of non-user. On whether the applicant was a person aggrieved, Chan Sek Keong JC, after considering the speeches of Lord Herschell and Lord Watson in the House of Lords in *Powell's Trade Mark* [1894] 11 RPC 4; [1984] AC 8, and the manner in which subsequent judges reacted to the opinions of the said Law Lords in *Lever Bros Port Sunlight Ltd v Sunniwite Products Ltd* [1949] 66 RPC 84, *Consort Trade Mark* [1980] RPC 160, and *Wells Fargo Trade Mark* [1977] RPC 503 concluded as follows:
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> > On the basis of these decisions, it is plain that the applicant will fail in this appeal unless he can show that he has used his trade mark in the course of a trade which is the same as or similar to that of the respondents or that he has a genuine and present intention to use the mark as a trademark. But the evidence shows none of these things, as the Registrar has found ...
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> [22] We understand that passage as lying down the principle that a person aggrieved is a person who has used his mark as a trademark — or who has a genuine and present intention to use his mark as a trademark — in the course of a trade which is the same as or similar to the trade of the owner of the registered trademark that the person wants to have removed from the register.

Thus a 'person aggrieved' may have no rights at all but merely a genuine intention to use a trademark that is registered but which has not been used by the registered proprietor.

[13] More recently, in the case of *Mesuma Sports Sdn Bhd v Majlis Sukan Negara Malaysia (Pendaftar Cap Dagangan Malaysia, interested party)* [2015] 6 MLJ 465, Azahar Mohamad FCJ delivering the judgment of this court

reiterated:

> A person aggrieved is a person who has used his mark as a trademark or who has genuine and present intention to use his mark as a trademark in the course of a trade which is the same as or similar to the registered trademark that the person wants to have removed from the register. The person must be someone who has some element of legal interest, right or legitimate expectation in its own mark which is being substantially affected by the presence of the registered trademark. The interest and right must be legal or lawful.

[14] The learned JC found that Oishi Group was an aggrieved person and this was confirmed by the Court of Appeal. In so confirming, the Court of Appeal stated as follows:

> [49] The evidence adduced before the High Court showed that the plaintiff applied for registration of its trademark in 2011 and its use of the trademark in Malaysia was in 2013. Both dates fell within the period that the plaintiff claimed the defendant was not using the defendant's trademarks in Malaysia.
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> [50] The plaintiff had shown evidence that it was or was in the process of importing for sale in Malaysia its goods bearing its trademarks. Hence, there had been shown a genuine intention on the part of the plaintiff to use the plaintiff's trademark in Malaysia.
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> [51] The fact that the plaintiff's application to register its trademark was objected to show that there was basis for its concern that unless the defendant's trademarks were removed from the Register, the plaintiff ran the risk of having action taken against it by the defendant for use of the plaintiff's trademarks on the goods it was importing into and selling in this country.
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> [52] In those circumstances we were of the considered view that there was no reason to disturb the finding of fact made by the learned judicial commissioner (guided by the decision of the Federal Court in *Lian Bee*) that the plaintiff was an aggrieved person.

[15] Earlier, the Court of Appeal found that Oishi Group was not using Liwayway's trademark as the only similarity was the word 'Oishi'. Visually too, the Court of Appeal said there was a marked difference between the two trademarks after comparing the word 'Oishi' which appears in both Oishi Group's and Liwayway's trademarks.

[16] Learned counsel for Liwayway further submitted that not only the trademarks were not dissimilar, but also claimed that Oishi Group was a subsequent user of the trademark. Liwayway was the first to assert its rights via the trademark filing/registration which was done in the absence of any prior user at that point of time. Oishi Group's trademark only came to be used in 2013, long after Liwayway had used and registered its trademark in 2003. Based on that, it was submitted that Liwayway ought to be recognised as the common law proprietor of the trademark, making reference to the English

Chancery Division case of *In re Hudson's Trade-Marks* (1886) 32 Ch D 311 where Cotton LJ said that a person who first designed and first printed or formed a trademark was to be considered as the proprietor of it.

[17] A similar view was taken by the Federal Court of Australia in *Carnival Cruise Lines Inc v Sitmar Cruises Limited* (1994) 120 ALR 495 wherein a passage from the aforesaid judgment of Cotton LJ in *Re Hudson's Trade-Marks* was quoted:

> ... and if there is no one else who has used it, or who can be interfered with by the registration and subsequent assertion of title to the mark, then he is to be considered as entitled within the meaning of the Act to the exclusive use of that which in fact has never been in any way used, but which has only been designed by him, and which he can be treated as the person entitled to register, if no one else had so used it as that his user would be interfered with by the registration.

[18] In the present case, it is clear that Oishi Group was a subsequent user of the trademark and could not claim to be a person aggrieved.

[19] In an application of this nature, it was incumbent on the part of Oishi Group to establish the factum of non-user on the part of Liwayway. *Kelly's Law of Trade and Mark Names* (12th Ed) states that 'where the applicants for rectification furnished no evidence as to the manner of trading under the respective marks, they were held not to have discharged the onus'.

[20] Ramly Ali J (as he then was) in *Godrej Sara Lee Ltd v Siah Teong Teck & Anor (Part 2)* [2007] 7 MLJ 164; [2008] 7 CLJ 24 had the following to say on the onus upon an applicant for rectification:

> [19] Case law has suggested that all the applicant for rectifications has to prove at the outset is prima facie case of non-use. Once this is done, the burden falls upon the registered proprietor being the first respondent (in the present case) to show evidence of use during the material period of time (*Trina Trade Mark* [1977] RPC 131).

[21] The evidence tendered by Oishi Group before the learned JC in the High Court and her finding may be gleaned from the following passages of the learned JC's grounds of judgment:

> [18] The plaintiff had commissioned Dna Risk Sdn Bhd to perform an independent inquiry and market surveys on any 'Oishi' goods of the defendant in the market. The report, the inquiry and market report (see exh P3) seeks to establish prima facie evidence of non-use of the defendant's trade marks. From the executive summary of exh 'P3', the market survey was done between 11 August 2011 to 22 August 2011 in three locations, Klang Valley, Johor and Penang where 260 outlets were visited. These outlets include hypermarkets, supermarkets, mini-markets, Chinese medicinal halls, convenience stores, wet markets and wholesalers.

A [19] The survey seeks the availability of 'Oishi' products such as savoury snacks, crackers, candies, beverages in the 260 outlets. However during the said market survey, there were no 'Oishi' products found in the retail outlets. Upon interviewed, the outlets owners, outlet managers and outlet assistants confirm that they have never heard of and are not aware of ' Oishi' products in the Malaysian markets.

B [20] Premised on the said survey report in exh P3, I am of the considered opinion that the plaintiff has established a prima facie case of non-use. With regards to the survey report itself, I agree with the plaintiff's submission that the said independent survey report has complied with the minimum requirements set out in *Imperial Group PLC and another v Phillip Morris Ltd and another* [1984] Lexis Citation C 1631; [1984] RPC 293 as applied by Justice Azahar Mohamed in *Lam Soon Edible Sdn Bhd v Hup Seng Perusahaan Makanan (M) Sdn Bhd* [2011] 7 MLJ 366; [2010] 5 CLJ 975. The survey was done at 260 outlets in three major locations in Malaysia. Even if the Klang Valley, Johor and Penang are not reflective of the whole nation, if the defendant's mark cannot be found in these major locations, I doubt very much D if the same can be found in an obscure location in the small town of Song in Sarawak.

[22] The learned JC agreed with Oishi Group that Dna Risk Sdn Bhd's market survey met the guidelines set out in *Imperial Group PLC v Philip Morris* E *Ltd* [1984] RPC 293. In that case, Whitford J laid out guidelines for the conduct of surveys for trademarks matters. The guidelines (commonly known as the 'Whitford guidelines') were summarised by the English Court of Appeal in *Interflora Inc and another v Marks and Spencer plc* [2013] 2 All ER 663; [2012] EWCA Civ 1501 as follows:

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(i) if a survey is to have any validity at all, the way in which the interviewees are selected must be established as being done by a method such that a relevant cross-section of the public is interviewed;

(ii) any survey must be of a size which is sufficient to produce some relevant G result viewed on a statistical basis;

(iii) the party relying on the survey must give the fullest possible disclosure of exactly how many surveys they have carried out, exactly how those surveys were conducted and the totality of the number of persons involved, because otherwise it is impossible to draw any reliable inference from H answers given by a few respondents;

(iv) the questions must not be leading; and must now direct the person answering the question into a field of speculation upon which that person would never have embarked had the question not been put;

I (v) exact answers and not some sort abbreviation or digest of the exact answer must be recorded;

(vi) the totality of all answers given to all surveys should be disclosed; and

(vii) the instruction given to interviewers must also be disclosed.

[23] The Court of Appeal agreed wholly with the findings of the learned JC on non-use by Liwayway and considered the market survey report conducted by Dna Risk Sdn Bhd tendered by Oishi Group in exh P3. The Court of Appeal in its judgment concluded:

> [56] Our examination of Dna's survey report showed that the methodology used by Dna involved instructions to the interviewers to inspect 'available food and beverages sections/aisles as well as other areas in the outlets' for any Oishi products. The interviewers were also instructed to question and interview 'Proprietors, sales representatives, outlet supervisors and outlet managers' on the availability of Oishi products. Then, if any Oishi products was found, the interviewees would be asked on the 'possible usage of the trademark, duration of trademark use, types of products it is used on, price ranges for the products and any other relevant information'. The interviewers were also directed to make random inquiries to wholesales. Clearly guideline (vii) of the Whitford guidelines had been complied with.
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> [57] As it turned out, the interview never went past the first question of whether the interviewees had had ever heard of Oishi products, as all the interviewees gave answers in the negative. In our view guidelines (iv), (v) and (vi) of the Whitford guidelines had been satisfied.
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> [58] The market survey report showed that Dna had chosen to conduct the survey in the Klang Valley, Penang and Johor Bahru. We did not think that it could be disputed that these would be the three most suitable locations for conducting surveys of the penetration of any goods/products in trade.
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> [59] Furthermore, the survey report also listed out the local areas in which the survey was conducted. The survey was conducted in 17 local areas in the Klang Valley, 14 local areas in Johor Bahru and 8 local areas in Penang, involving 260 outlets. These consisted of supermarkets, mini-markets, Chinese medicinal halls, and wet markets. In other words, a cross-section of the retail outlets in the three location. The names and addresses of these outlets were set out in the report.
>
> [60] The report also contained the names of persons interviewed wherever available. Where names were not provided by the interviewees, the report made a note of that.
>
> [61] In our view, the report had met guidelines (i), (ii) and (iii) of the Whitford guidelines.

[24] The concurrent findings of the two courts below on the acceptability and sufficiency of the survey report was severely criticised by learned counsel for Liwayway as follows:

(a) Only summarised versions of the answers by the interviewees were disclosed. Claims by few interviewees that they had worked for more than three years were inconsistent with the evidence of use produced by Liwayway even before the commencement of the requisite period on non-user. Further, these claims could no be verified;

(b) There is no evidence the data compiled by Dna Risk Sdn Bhd have been accepted as authoritative source of information or data by the Court in

Malaysia. In fact, there was no introduction of Dna Risk Sdn Bhd at all in the report or who its investigators were along with their credentials or experience. The reliability of this Market Survey is put to further question when it had, at the beginning of its report at stated that 'No other party may rely on this report for any purpose ... DNA makes no representation or warranties with respect to the contents or use of this report ... DNA reserves the right to amend or change this report, at any time';

(c) There is no evidence on how the report was derived or data collected;

(d) There is no evidence that said alleged data was collated from outlets which in turn constituted a cross section of the relevant trade in Malaysia or from a wide enough spread of geographical location to represent a cross section of the public or those in trade conducting business in relation to Class 30 goods.

[25] We pause here to note that the English Court of Appeal in *Interflora Inc and another v Marks and Spencer plc* held that an applicant seeking permission to carry out a survey should provide: (i) the results of any pilot survey; (ii) evidence that the further survey will comply with the Whitford guidelines; and (iii) the costs of carrying out the pilot and estimate cost of the further survey. An applicant seeking permission to call witnesses who responded to a survey or other experiment (which would cover witness collection exercises) should: (i) provide the draft witness statements; (ii) show their evidence will be of real value; (iii) identify the survey/other experiment and give full disclosure on the circumstances of the survey and all answers received; (iv) disclose how the proposed witnesses were selected from the survey respondents; and (v) state the cost of the pilot survey and estimated cost of any further work in relation to the witnesses.

[26] Some six months later in *Interflora Inc and another company v Marks and Spencer plc* [2013] All ER (D) 14 (Apr); [2013] EWCA Civ 319 ('Interflora 2'), the Court of Appeal gave another judgment in the same *Interflora v Marks and Spencer* litigation, giving further guidance on the acceptance of evidence in market survey cases. Lewison CJ held that a judge should not let in evidence unless the party seeking to call that evidence satisfies the judge (a) that it was likely be of real value and (b) that the likely value of the evidence justified the cost.

[27] It is apparent from the judgment of the learned JC that she heavily relied on the evidence from exh P3. Her analysis of the quality of the raw data contained in the report was flawed in that she applied too lax a test and accepted in toto the market survey report in exh P3. A similar test was also adopted by the Court of Appeal.

[28] In our view, compliance or fulfillment of the Whitford guidelines does not automatically translate into a case where the prima facie burden of proof has been discharged. Sufficiency and the weight to be attached to its content is a matter of evidential evaluation by the trial judge.

[29] Learned counsel for Liwayway contended that Oishi Group had not discharged its onus of proof of non-use between the relevant period, that is, between 19 January 2010 and 19 January 2013. Unless and until such burden of proof was discharged, the court was not even obliged or need not consider evidence of use of the registered trade mark by Liwayway. Failure on the part of Oishi Group would mean the consequent dismissal of its rectification action under s 46(1)(b) for want of proof.

[30] In *E-Toyo Global Stationery Sdn Bhd v Toyo Ink Sdn Bhd & Ors; The Registrar of Trade Marks (interested party)* [2005] 1 MLJ 445; [2004] 7 CLJ 368, Ramly Ali J (as he then was) opined:

> If the applicant fails to establish such prima facie case of 'non-use' of the trademark, there would be no requirement for the registered proprietor (the first respondent) to show that it had used the mark in question during the relevant period. This principle is supported by the *Law of Intellectual Property* by Staniforth Ricketson — at para 37.17 at p 730 where in the following was stated:
>
> > It is clear from the cases that there is an onus upon a s 23 applicant to establish that there has been no use in good faith of the mark by the registered proprietor during the relevant period. Thus, if the applicant fails to establish a prima facie case of non-use, there is no requirement for the registered proprietor to show that it has used the mark upon any of the goods or services in question.

[31] Aside from the criticisms stated earlier, the market survey relied by Oishi Group in support of its case that Liwayway had not used its registered trademark in respect of their registered goods in Classes 29, 30 and 43 was defective for two reasons. Firstly, the market survey was in respect of Class 30 goods only and secondly, the survey did not cover the requisite continuous period of three years up to one month before the date of the application.

[32] Oishi Group filed its action in the High Court on 19 February 2013. Section 46(1)(b) speaks of a period 'up to one month before the date of the application a continuous period of not less than three years had elapsed'. Therefore, the requisite or relevant period for the survey would be between 19 January 2010 and 19 January 2013.

[33] We have considered at the market survey report produced in the court below marked as exh P3. We reproduce below the relevant parts of the report which merit consideration:

A 1.0 Instruction

Instructions were received from Messrs Lee Hishammuddin Allen & Gledhill on 11 August 2011 for this office to conduct inquiries and market survey on any 'Oishi' goods/products by Liwayway Marketing Corporation of Philippines. The goods are under Class 30; namely 'coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee, B flour and preparation made from cereals, bread, pastry and confectionery, ices, honey, treacle, yeast, baking powder, salt, mustard'. The market survey is to be conducted in three (3) locations in Malaysia, namely Klang Valley, Penang and Johor.

C ...

3.0 Methodology

The market survey and inquiries were conducted based on the following methodologies:

D (i) Oishi product survey was conducted for a period of ten (10) days from 11 August 2011 to 22 August 2011, covering random locations in Klang Valley, Penang and Johor.

(ii) All locations visited were inspected for any Oishi products; at available food and beverages sections/aisles as well as other areas in the outlets.

E (iii) Proprietors, sales representatives, outlet supervisors and outlet managers were questioned and interviewed for any availability of Oishi products.

(iv) Upon discovery of any Oishi products in the outlets, individuals managing the outlets would be questioned on the possible usage of the trademark, duration of trademark use, types of products it is used on, price F ranges for the products and any other relevant information. Random inquiries would also be made to wholesalers.

(v) Compiling of findings.

(vi) Preparation of comprehensive market survey report.

G 4.0 Our Findings

The survey was carried out in famous hypermarkets, supermarkets, mini-markets, chinese medical halls, convenience stores, wet markets and wholesalers with high density of customers in the location stipulated starting from the period 11 August 2011 to 22 August 2011. The survey includes the following areas:-

H Klang Valley

(i) Shah Alam	(ii) Subang Jaya
(iii) Kelana Jaya	(iv) Petaling Jaya
(v) Batu Caves	(vi) Kepong
I (vii) Selayang	(viii) Gombak
(xi) Setapak	(x) Melawati
(xi) Ampang	(xii) Bangsar
(xiii) Brickfield	(xiv) Pandan lndah
(xv) Kota Damansara	(xvi) Taman Tun Dr Ismail/Damansara

(xvii) Kuala Lumpur City Centre

Johor Bahru

(i) Pandan Heights (Pasar Borong Pandan)	(ii) Kangkar Tebrau
(iii) Majidee	(iv) Permas Jaya
(v) Johor Jaya	(vi) Stulang Darat
(vii) Stulang Laut	(viii) Danga Bay
(ix) Perling	(x) Jalan Wong Ah Fook
(xi) Masai	(xii) Tampoi
(xiii) Skudai	(xiv) Bukit lndah
(xv) Nusajaya	

Penang

(i) Georgetown	(ii) Jelutong
(iii) Air ltam	(iv) Bayan Baru
(v) Bayan Lepas	(vi) Sungai Pinang
(vii) Paya Terubong	(viii) Bukit Mertajam

A total of 260 outlets were visited during the market survey. The outlets visited were chosen randomly and is based on the outlet's popularity among consumers. Survey was conducted on beverages and food products shelves/isles. None were found carrying 'Oishi' products. Based on interview with outlet owners/employees, they not aware of any 'Oishi' products in the market.

[34] We agree with the submissions of learned counsel for Liwayway that the survey did not cover the entire period from 19 January 2010–19 January 2013. From the report it is clear that Dna Risk Sdn Bhd received instructions to carry out the survey on 11 August 2011 and it was concluded on 22 August 2011. It covered a period of only ten days. It did not reflect or answer the pertinent question of whether there was non-use after 22 August 2011 and of the end of the three year period, 19 January 2013. On the above premise we hold that the survey is inconclusive and does not meet the threshold requirements as laid down in the Whitford guidelines.

[35] We further agree with the submission of learned counsel that this lack and insufficient coverage could only mean one thing, that is, Oishi Group had not discharged the burden of proving a prima facie case of non-use of Liwayway's registered trademark in respect of the class of goods. That being the case, there was no requirement for Liwayway as the registered proprietor of the trademark to show that it had used the trademark upon any of the goods mentioned (see *E-Toyo Global Stationery Sdn Bhd v Toyo Ink Sdn Bhd & Ors; The Registrar of Trade Marks (interested party)*).

[36] Accordingly, we hold that the learned JC erred in finding that there was a prima facie case of non-use and that the burden then shifted to Liwayway to prove use of the trademark.

[37] In *Lam Soon Edible Sdn Bhd v Hup Seng Perusahaan Makanan (M) Sdn Bhd* [2011] 7 MLJ 366; [2010] 5 CLJ 975. At p 372 (MLJ); p 980 (CLJ) of the report, Azahar Mohamed J (as he then was) stated:

> [13] The applicant commenced the present action on 16 April 2009. For that reason, the relevant non-use period under s 46(1)(b) of the Act is from 16 March 2006 to 16 March 2009. In my view, the reports clearly do not comply with the minimum criteria set out in *Imperial Group* and they fall way short establishing a prima facie case of non-use of the respondent's NATURELL mark for the following reasons:
>
> (a) The first report — the period of non-use from February to 16 March 2009 was not covered by the first report. The letter from AC Nielsen Malaysia dated 20 March 2009 states that there was no use of the 'NATURELL' mark on 'Biscuit category' from February/March 2006 to December 2008/January 2009. The previously mentioned dates show that the report compiled by AC Nielsen Malaysia and assertion in encl 2 are not reflective of the factual position or state of affairs at the time of the commencement of this proceeding. In the case of *Lim Yew Sing*, Mahadev Shankar JCA said at p 793:
>
> Generally, let it be said that if a survey is to be of any use, it must fairly reflect the factual position at the time the application to expunge is made.

[38] The learned judge in the same case also pointed to various other flaws in the survey reports tendered by the applicant. At p 372 (MLJ); p 981 (CLJ), the other flaws in the survey report were listed as:

> (b) The second report is fundamentally flawed for the reason that it does not cover the whole of Malaysia. The report is not statistically significant, as it does not represent the cross-section of the public in Malaysia as opposed to Peninsula Malaysia only;
>
> (c) There is no evidence the data compiled by The Neilson Company Malaysia and/or AC Neilsen Malaysia have been accepted as authoritative source of information or data by the court in Malaysia;
>
> (d) There is no attempt on the applicant's part to introduce the background and brief credentials of the Nielsen Company Malaysia and AC Nielsen Malaysia;
>
> (e) There is no evidence on how the report was derived or data was collected from;

(f) There is no evidence on the number, names and locations of supermarkets, hypermarkets, retail outlets, convenience stores and provisions store etc from which the data has been collected;

(g) There is no evidence that the said alleged data was collated from the outlets, which constitute a cross section of the relevant trade in Malaysia.

[39] In the same vein, we find favour in learned counsel's submission that the learned JC erred in taking into consideration Liwayway's assertion of 'use' of the trademark and weigh the same including Liwayway's admission to the effect that it had temporarily ceased the use of its trademark sometime in 2009 (which was outside the requisite three year period) 'to make readjustment in the formulation of their products to suit the local Malaysians as most of the target customers in Malaysia are the Malay Muslims' as stated in the first affidavit in reply of Liwayway affirmed by Helen Huang on 27 November 2013. Helen Huang also stated in her affidavit in reply that the temporary cessation was due to the application for Halal certification.

[40] This error on the part of the learned JC was perpetuated by the Court of Appeal in affirming the finding of the learned JC that there was a prima facie case of non-use of the registered trademark.

[41] In our view, both the High Court and the Court of Appeal had erroneously interpreted s 46(1)(b) of Act 175. On the evidence and the factual matrix of the case, the pre requisites of the aforesaid provision had not been satisfied.

[42] In the result, the appeal is allowed with costs and the decisions of the courts below are set aside. We also find it unnecessary to answer the questions posed.

Appeal allowed and the decisions of courts below set aside.

Reported by Ashok Kumar